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VIA TELECOPY (303) 231-3194
ORIGINAL BY MAIL

Mr. David S. Guzy
Chief, Rules and Procedures Staff
Minerals Management Service
P.O. Box 25165, Mail Stop 3101
Denver, Colorado 80225-0165

Re: Comments on Proposed Rulemaking,
Policy for Release of Third-Party Proprietary
Information for the Administrative Appeals
Process and for Alternative Dispute
Resolution; 62 FR 16116 (April 4, 1997)

Dear Mr. Guzy:

Mobil Business Resources Corporation, on its own behalf and on behalf of affiliates that produce oil and gas from federal lands (collectively "Mobil"), appreciates the opportunity to comment on the Minerals Management Service ("MMS") proposed rulemaking published at 62 FR 16116 (April 4, 1997). As a federal lessee and royalty payor, Mobil often submits proprietary information to MMS and, therefore, it has a significant interest in how MMS handles that information. It also is a participant in the MMS appeals process and, as such, it has a significant interest in having fair and reasonable access to other companies' proprietary information when that information is germane to its appeals.

Mobil concurs with the comments submitted by the American Petroleum Institute ("API"). It therefore adopts those comments, by reference, as its own. Additionally, Mobil submits the following comments in response to the specific questions posed by MMS in the rulemaking.

1. What type of information is proprietary? For how long after such information is generated does it remain proprietary? Commercial and financial information less than 10 years old concerning the volume or value of the produced substance, as well as any information expressly

designated by the submitter as being confidential or proprietary should be presumed to be proprietary. See also API comments at p. 2.

2. When there is an appeal of an MMS order or ADR, should MMS release relevant proprietary information if the requester signs confidentiality and liability agreements? Yes. Additionally, Mobil urges MMS to define the term "relevant" in its ordinary sense. To define "relevant proprietary information" as including only information "that MMS used to ... support an order" eliminates otherwise relevant information that MMS may have considered, but chose to ignore because it was not supportive of MMS' position. Fundamental fairness requires MMS to allow appellants access to all information in the agency's possession that is relevant to an appeal, not just the information that MMS decides to use because it is favorable to the agency. See also API comments at p.3.

3. Should MMS notify the submitters that the proprietary information has been requested? Yes. The rule should include an express provision requiring MMS to notify the submitter of proprietary information that its information has been requested and by whom. The provision should expressly state 1) that MMS is required to notify the submitter before MMS releases the information and 2) that MMS must give the submitter an opportunity to be heard regarding whether good cause exists for denial of the request and/or whether more stringent confidentiality standards should be imposed (for example, because of the particularly sensitive nature of the information requested). See also API comments at p. 2.

4. Are the proposed safeguards of this rulemaking adequate to protect the submitter's interest? No. Are there additionally safeguards that MMS should include in this rule? Yes. Mobil concurs with API's recommendations regarding additional provisions that are needed to ensure that proprietary data is handled appropriately.

5. Should this rule include release of relevant proprietary information needed to file appeals with the MMS Director or defend against civil penalties under 30 CRF Parts 241 or 251? Yes, it should include both. Additionally, the rule should be revised to expressly state that proprietary information that is relevant to MMS decisions (e.g. RVSD decisions on allowance issues or value determination requests) also should be made available, not just information relevant to MMS orders. The reference to "orders" in the proposed rule is too narrow.

6. Should MMS restrict the proposed list of people allowed to review the relevant proprietary information further than the proposed rule requires? The proposal appears to be adequate in this respect; however, it should be revised to require that every person having access to the proprietary information must execute a confidentiality and liability agreement. This will avoid any inference that responsibilities and obligations vary among persons having access to the information. See also API comments at p.3.

7. Should MMS charge fees for the relevant proprietary information based on the fee schedule used for FOIA requests? No, it would be totally inappropriate, and perhaps violative of due

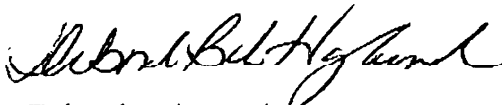
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process as well, for MMS to charge a fee for providing an appellant with the information that the agency relied upon in issuing an order, decision, or penalty. See also API comments at p. 4.

Mobil urges MMS to adopt all of the recommendations contained in API's comments. In particular, Mobil urges MMS to delete the burdensome and unnecessary requirement that a company CEO or equivalent official sign the confidentiality or liability agreement. Any person with authority to bind the company should be allowed to sign the agreement.

Mobil appreciates your consideration of its comments. If you have any questions regarding these comments, please call the undersigned at 214-951-3349.

Very Truly Yours,



Deborah Bahn Haglund